GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:5364
ANSWERED ON:28.08.2001
COST OF PRODUCTION OF GAS BASED CHEMICAL FERTILIZERS GENERATING PROJECTS
NAWAL KISHORE RAI;SUSHIL KUMAR INDORA

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the cost of production of pre-1992 gas based chemical fertilizers generating projects and that of post-1992 gas, naphtha, fuel and other mixed fuel based projects in the country varies; and

(b) if so, the average cost of production of each of the said categories of projects during 2000-2001?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI S. B. MOOKHERJEE)

(a): Cost of production of urea differs from unit to unit depending, inter-alia, on the vintage of the plant, feed stock used, levels of capacity utilization, actual consumption of inputs, conversion cost, location and health of the plant etc. Fertilizer Industry Co-ordination Committee determines the retention price (cost of production plus rate of return on net worth) of the indigenous urea units after allowing the post tax return of 12% on net worth and a combination of norms and actuals in respect of the various cost elements and expenses.

(b): While the weighted average retention price of pre-1992 gas based urea units, as on 1.8.2001, is Rs. 6258 per MT, the weighted average retention price of post-1992 gas based, naphtha and fuel oil/Low sulphur Heavy stock based urea units are Rs.6523, Rs.12068 and Rs.9721 per MT respectively.